



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

AUG 31 2017

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Wendy Bouvier  
Manager, Environmental Services  
Grain Processing Corporation  
1443 South 300 West  
Washington, Indiana 47501

Re: Notice of Violation  
Grain Processing Corporation  
Washington, Indiana

Dear Ms. Bouvier:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation (NOV) to Grain Processing Corporation (you) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). We find that you have violated the Indiana State Implementation Plan at your Washington, Indiana facility.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Dakota Prentice. You may call him at (312) 886-6761 to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Nam", written in a cursive style.

Edward Nam  
Director  
Air and Radiation Division

Enclosure

cc: Phil Perry  
Chief, Air Compliance Branch  
Indiana Department of Environmental Management

1. All terms in the following numbered paragraphs shall have their ordinary meaning, unless such terms are defined in the Act, 42 U.S.C. §§ 7401 to 7671(q), or Volume 40 of the Code of Federal Regulations, in which case such statutory or regulatory definitions shall apply.
2. Part C of Title I of the Act, 42 U.S.C. §§ 7470-7492, sets forth requirements for the prevention of significant deterioration (PSD) of air quality in those areas designated as either attainment or unclassifiable for purposes of meeting the National Ambient Air Quality Standards (NAAQS). These requirements are designed to protect public health and welfare, to assure that economic growth will occur in a manner consistent with the preservation of existing clean air resources, and to assure that any decision to permit increased air pollution is made only after careful evaluation of all the consequences of such a decision and after public participation in the decision making process. See 42 U.S.C. § 7470. These provisions are referred to as the Clean Air Act's "PSD Program."
3. Sections 110(a) and 161 of the Act, 42 U.S.C. §§ 7410(a) and 7471, require each state to adopt regulations implementing the PSD Program as part of the SIP for maintaining the NAAQS.
4. A state may comply with Sections 110(a) and 161 of the Act, 42 U.S.C. §§ 7410(a) and 7471, by having its own PSD regulations approved by EPA as part of its SIP, provided that the state PSD regulations are at least as stringent as those set forth at 40 C.F.R. § 51.166.

5. On November 5, 1981, EPA approved 325 IAC 1.1-1-8 (recodified as 326 IAC 1-2-6) as part of the federally enforceable SIP for Indiana. 46 Fed. Reg. 54943.
6. 326 IAC 1-2-6 defines "Best Available Control Technology" or "State BACT" as an emission limitation (including a visible emission standard) or equipment standard based on the maximum degree of reduction of each pollutant subject to regulation under the Clean Air Act and applicable Indiana laws or rules which would be emitted from or which results from any proposed major facility or modification thereto which the Board, on a case-by-case basis, taking into account energy, environmental and economic impacts and other costs, determines is achievable for such facility or modification through application of production processes and available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant. In no event shall application of best available control technology result in emissions of any pollutant which will exceed the emissions allowed by any applicable standard.
7. On November 5, 1981, EPA approved 325 IAC 1.1-1-27 (recodified to 326 IAC 1-2-27) as part of the federally enforceable SIP for Indiana. 46 Fed. Reg. 54943.
8. 326 IAC 1-2-27 defines "Facility" as "any one (1) structure, piece of equipment, installation or operation which emits or has the potential to emit any air contaminant. Single pieces of equipment or installations with multiple emission points shall be considered a facility for the purpose of this rule."
9. On November 5, 1981, EPA approved 325 IAC 1.1-1-53 (recodified to 326 IAC 1-2-51) as part of the federally enforceable SIP for Indiana. 46 Fed. Reg. 54943.
10. 326 IAC 1-2-51 defines "Owner" or "Operator" as any person who owns, leases, controls, operates or supervises a facility, an air pollutant emission source or air pollution control equipment.
11. On December 7, 1981, EPA approved 325 IAC 1.1-1-58 (recodified to 326 IAC 1-2-55) as part of the federally enforceable SIP for Indiana. 46 Fed. Reg. 54943.
12. 326 IAC 1-2-55 defines "potential emissions" as "Emissions of any one (1) pollutant which would be emitted from a facility if that facility were operated without the use of pollution control equipment unless such control equipment is (aside from air pollution control requirements) necessary for the facility to produce its normal product or is integral to the normal operation of the facility. Potential emissions shall be based on maximum annual rated capacity unless hours of operation are limited by enforceable permit conditions. Potential emissions from a facility shall take into account the hours of operation per year and shall be calculated according to federal emission guidelines in AP 42-most recent edition-Compilation of Air Pollution Factors, or calculated based on stack test data or other equivalent data acceptable to the commissioner."
13. On June 13, 2007, EPA approved 326 IAC 8-1-6 as part of the federally enforceable SIP for Indiana. 72 Fed. Reg. 32531.

14. 326 IAC 8-1-6 states, “New facilities (as of January 1, 1980) that: (1) have potential emissions of twenty-two and seven-tenths (22.7) megagrams (twenty-five (25) tons) or more per year; (2) are located anywhere in the state; and (3) are not otherwise regulated by: (A) other provisions of this article; (B) 326 IAC 20-48; or (C) 326 IAC 20-56; shall reduce VOC [volatile organic compounds] emissions using best available control technology (BACT).”
15. On June 18, 2007, EPA approved 326 IAC 2-2-3 as part of the federally enforceable SIP for Indiana. 72 Fed. Reg. 33395.
16. 326 IAC 2-2-3 states that new major stationary sources and major modifications shall apply best available control technology for each regulated NSR pollutant for which either the new source has the potential to emit in significant amounts or the modification would result in a significant net emissions increase at the source.
17. On September 28, 2011, EPA approved 326 IAC 2-2-1(i) as part of the federally enforceable SIP for Indiana. 76 Fed. Reg. 59899.
18. 326 IAC 2-2-1(i) defines “Best available control technology” or “PSD BACT” as “an emission limitation, including a visible emissions standard, based on the maximum degree of reduction for each regulated NSR pollutant that would be emitted from any proposed major stationary source or major modification, that the commissioner, on a case-by-case basis, taking into account energy, environmental and economic impacts and other costs, determines is achievable for the source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of the pollutant. In no event shall application of the best available control technology result in emissions of any pollutant that would exceed the emissions allowed by any applicable standard under 40 CFR Part 60 and 40 CFR Part 61. If the commissioner determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the imposition of an emissions standard not feasible, a design, equipment, work practice, operational standard, or combination thereof may be prescribed instead to satisfy the requirements for the application of best available control technology. The standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of the design, equipment, work practice, or operation and shall provide for compliance by means that achieve equivalent results.”
19. On July 8, 2011, EPA approved 326 IAC 2-2-10 as part of the federally enforceable SIP for Indiana. 76 Fed. Reg. 40242.
20. 326 IAC 2-2-10(1)(C) states that the owner or operator shall submit all information necessary to perform any analysis or make any determination required under this rule, including emission estimates.
21. On September 28, 2011, EPA approved 326 IAC 2-2-1(ll) as part of the federally enforceable SIP for Indiana. 76 Fed. Reg. 59899.

22. 326 IAC 2-2-1(ll) defines “Potential to emit” as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is enforceable as a practical matter. Secondary emissions do not count in determining the potential to emit of a stationary source.
23. On September 28, 2011, EPA approved 326 IAC 2-2-1(ff)(1)-(7) as part of the federally enforceable SIP for Indiana. 76 Fed. Reg. 59899.
24. On October 29, 2012, EPA revised 326 IAC 2-2-1(ff)(7) as part of the federally enforceable SIP for Indiana. 77 Fed. Reg. 65478.
25. 326 IAC 2-2-1(ff)(7) defines “Major stationary source” as a major stationary source that is major for VOC or NOx shall be considered major for ozone.
26. On October 29, 2012, EPA approved 326 IAC 2-2-1(dd) as part of the federally enforceable SIP for Indiana. 77 Fed. Reg. 65478.
27. 326 IAC 2-2-1(dd) defines “Major modification” in relevant part as any physical change in, or in the method of operation of, a major stationary source that would result in a significant net emissions increase of a regulated NSR pollutant from the major stationary source. The following shall apply: (1) Any significant emissions increase from any emissions units or net emissions increase at a major stationary source that is significant for VOC shall be considered significant for ozone.
28. On October 29, 2012, EPA approved 326 IAC 2-2-1(ss)(1) as part of the federally enforceable SIP for Indiana. 77 Fed. Reg. 65478.
29. 326 IAC 2-2-1(ss)(1) defines “regulated NSR pollutant” as any pollutant for which a national ambient air quality standard has been promulgated and any pollutant identified as a constituent or precursor to the pollutant..
30. 326 IAC 2-2-1(ss)(1)(A) states that VOC is a precursor to ozone.
31. EPA initially promulgated a NAAQS for ozone on April 30, 1971 (36 Fed. Reg. 8186). The ozone NAAQS has been updated multiple times since initial promulgation.

#### **Relevant Factual Background**

32. GPC owns and operates a corn wet milling facility at 1443 South 300 West in Washington, Indiana.
33. GPC’s starch dryer is a facility constructed after January 1, 1980.
34. The starch dryer has potential emissions of VOCs that exceed 25 tons per year.

35. The starch dryer is subject to the requirements of 326 IAC 8-1-6.
36. On October 19, 2007, Indiana Department of Environmental Management (IDEM) issued Prevention of Significant Deterioration (PSD) and Part 70 Operating Permit No. T027-14200-00046.
37. On December 21, 2009, Indiana Department of Environmental Management (IDEM) issued Significant Permit Modification No. 027-27810-00046 (2009 Title V Permit).
38. Condition D.8.3 of the 2009 Title V Permit states that VOC BACT at the starch dryer is 1.0 pound per hour (lb/hr).
39. On July 6, 2010, GPC conducted a performance test that included testing for VOC emissions from the starch dryer (2010 Performance Test).
40. The 2010 Performance Test identified an average VOC emission rate of 7.3 lbs VOC as propane per hour.
41. GPC submitted a Title V Operating Permit Modification application to IDEM on January 8, 2013 (2013 Permit Application).
42. The 2013 Permit Application requested a relaxation of the VOC BACT limit at the starch dryer.
43. The 2013 Permit Application represented the VOC emission rate from the starch dryer as 5.0 lbs/hr.
44. On September 13, 2013, IDEM issued a PSD/Significant Source Modification to a Part 70 Source as permit No. 027-32742-00046 (2013 Title V Permit).
45. The 2013 Title V Permit incorporates the 7.3 lbs/hr VOC emission rate identified/established in the 2010 Performance Test for the starch dryer.
46. GPC's 2013 Permit Application presented a BACT determination to IDEM that failed to account for total VOC emissions at the starch dryer, but rather VOC emissions "as propane."
47. The BACT determination included in the 2013 Title V Permit concludes that the two options presented by GPC, either using an existing regenerative thermal oxidizer (RTO) or installing a new RTO, are not economically feasible.
48. By failing to scale the "as propane" VOC emission rate data from the 2010 Performance Test to total VOCs, GPC's BACT determination in the 2013 Permit Application and IDEM's 2013 Title V Permit undercounted the tons of VOCs that an RTO could control.
49. The cost to control total VOCs from the starch dryer is significantly lower than the cost to control VOCs "as propane" on a per ton basis, with an RTO.

50. The control of total VOCs from the starch dryer with an existing RTO is economically feasible BACT.

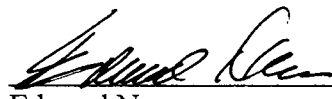
#### **Violations**

51. GPC failed to provide accurate VOC emission data to IDEM for purposes of a BACT determination, in violation of 326 IAC 2-2-10.
52. GPC failed to reduce VOC emissions from the starch dryer using BACT, in violation of 326 IAC 2-2-3.
53. GPC failed to reduce VOC emissions from the starch dryer using BACT, in violation of 326 IAC 8-1-6.

#### **Environmental Impact of Violations**

54. This violation has caused or can cause excess emissions of VOC, which is a precursor of ozone. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue. Repeated exposure may permanently scar lung tissue.

8/31/17  
Date

  
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Edward Nam  
Director  
Air and Radiation Division



**CERTIFICATE OF MAILING**

I certify that I sent a Notice of Violation, No. EPA-5-17-IN-10, by Certified Mail, Return

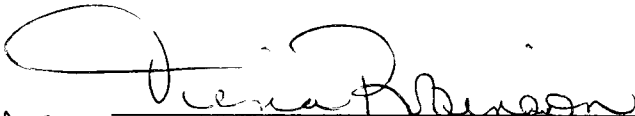
Receipt Requested, to:

Wendy Bouvier  
Manager, Environmental Services  
Grain Processing Corporation  
1443 South 300 West  
Washington, Indiana 47501

I also certify that I sent copies of the Notice of Violation by first-class mail to:

Phil Perry  
Chief, Air Compliance Branch  
PPERRY@idem.IN.gov

On the 5<sup>th</sup> day of September 2017.

  
for Loretta Shaffer  
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7016 1370 0001 5219 9605